

SONI MEDICARE LIMITED

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DIVIDEND DISTRIBUTION POLICY

1.PURPOSE-

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors (“Board”) of **Soni Medicare Limited** (“Company”) has adopted this Dividend Distribution Policy.

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company.

The Policy is not an alternative to the decision of the Board for recommending/ declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.DEFINITIONS-

a. **Act:** The Companies Act, 2013

b. **Listing Regulations:** The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

3. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed in value creation for all its stakeholders. The focus will continue to be on long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also take efforts to provide consistent return over a period. While deciding on the dividend, micro and macro-economic parameters for the country in general and the Company in particular, shall also be considered.

The date of the Board meeting, in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

4. CONCEPT OF DIVIDEND

Dividend is the share of the profit that a Company decides to distribute among its shareholders. The profits earned by the Company can either be retained in the business or can be distributed among the shareholders as Dividend.

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND

- a. When the Company does not have any profits;
- b. When there are prolonged strikes or lockouts, natural calamities, regulatory actions, major accidents, or other events significantly impacting Hospital Operations;
- c. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.

6. TYPES OF DIVIDENDS

a. Interim Dividend

The dividend declared by the Board between two Annual General Meetings as and when considered appropriate by the Board, who shall have the absolute power to declare interim dividend. The Act authorizes the Board to declare interim dividend

during any financial year out of the profits for the financial year in which the dividend is sought to be declared and / or out of the surplus in the profit and loss account.

Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements. The Board may declare one or more Interim Dividends during the year.

b. Final Dividend

Final dividend is recommended for the financial year at the time of approval of the Annual Financial Statements. The Board shall have the power to recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

7. DECLARATION OF DIVIDEND

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.

c. Out of (a) and (b) both

8. FACTORS GOVERNING DECLARATION OF DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business and accordingly depends upon various external and internal factors:

a. External Factors

The Board shall consider various external factors while declaring dividend including the following:

i. Economic Scenario- The Board shall endeavour to retain a larger portion of profits to build up reserves, in case of adverse economic scenario.

ii. Competitive / Market Scenario -Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.

iii. Regulatory Restrictions / Obligations- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws relating to declaration of dividend. Dividend distribution tax or any tax deduction at source as required by tax regulations in India, applicable at the time of declaration of dividend may impact the decision relating to dividend declaration.

iv. Agreements with Lenders / Debenture Trustees- The decision of dividend pay-out may also be affected by the restrictions and covenants contained in the agreements entered into with the lenders or Debenture Trustees of the Company from time to time.

v. Others- Other factors beyond control of the Management like natural calamities, fire, etc. affecting operations of the Company may impact the decision relating to dividend declaration.

b. Internal Factors

The Board shall consider internal factors while declaring dividend including the following:

i. Profitability;

ii. Availability and Liquidity of funds;

iii. Track record of Dividends distributed by the Company;

iv. Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution

v. Capex needs for the existing businesses;

vi. Mergers and Acquisitions;

vii. Additional investments in subsidiaries/associates of the Company;

- viii. Cost of raising funds from alternative sources;
- ix. Cost of servicing outstanding debts;
- x. Funds for meeting contingent liabilities;
- xi. Stipulations/ Covenants of loan agreements
- xii. Any other factor as deemed appropriate by the Board.

9. UTILIZATION OF RETAINED EARNINGS

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under: -

- a. Declaration of dividend – Interim or Final;
- b. Issue of fully paid-up bonus shares;
- c. Buy back of shares;
- d. Augmenting internal resources;
- e. Funding for Capex/expansion plans/acquisition;
- f. Repayment of debt
- g. Any other permitted use

10. PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution. As and when the Company issues other kind of shares, the Board may suitably amend this Policy.

11. DISCLOSURE

This Dividend Distribution Policy shall be disclosed in the manner required. If the Company proposes to declare dividend based on any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the Company's website.

12. REVIEW / AMENDMENT

The Board is authorised to change/amend/abrogate/modify/revise this policy

from time to time at its sole discretion, or in pursuance of any amendments made in the Companies Act, 2013, the Listing Regulations, or in terms of recommendation by the Audit Committee, etc.

However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

13. DISCLAIMER

Neither does this policy solicit investments in the Company's securities nor is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.